

109TH CONGRESS
1ST SESSION

S. 1100

To amend the Internal Revenue Code of 1986 to provide capital gains treatment for certain self-created musical works.

IN THE SENATE OF THE UNITED STATES

MAY 23, 2005

Mr. BUNNING (for himself, Mr. CONRAD, Mr. HATCH, Mrs. BOXER, Mr. ALEXANDER, and Mr. DURBIN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide capital gains treatment for certain self-created musical works.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Songwriters Capital
5 Gains Tax Equity Act”.

6 **SEC. 2. CAPITAL GAINS TREATMENT FOR CERTAIN SELF-**
7 **CREATED MUSICAL WORKS.**

8 (a) IN GENERAL.—Subsection (b) of section 1221 of
9 the Internal Revenue Code of 1986 (relating to capital

1 asset defined) is amended by redesignating paragraph (3)
 2 as paragraph (4) and by inserting after paragraph (2) the
 3 following new paragraph:

4 “(3) SALE OR EXCHANGE OF SELF-CREATED
 5 MUSICAL WORKS.—At the election of the taxpayer,
 6 paragraphs (1) and (3) of subsection (a) shall not
 7 apply with respect to any sale or exchange of musi-
 8 cal compositions or copyrights in musical works by
 9 a taxpayer described in subsection (a)(3).”.

10 (b) LIMITATION ON CHARITABLE CONTRIBUTIONS.—
 11 Subparagraph (A) of section 170(e)(1) of the Internal
 12 Revenue Code of 1986 is amended by inserting “(deter-
 13 mined without regard to section 1221(b)(3))” after “long-
 14 term capital gain”.

15 (c) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to taxable years beginning after
 17 the date of the enactment of this Act.

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